

***United States Court of Appeals  
for the Second Circuit***



**BRIEF FOR  
APPELLANT**





# 74-1767

IN THE  
**United States Court of Appeals**  
FOR THE SECOND CIRCUIT

Appeal No. 74-1767

SHATTUCK ET AL.,  
*Appellees.*

v.

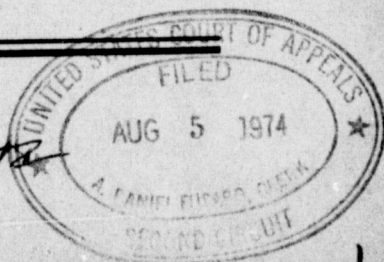
HOEGL ET AL.,  
*Appellants,*

ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NEW YORK

**BRIEF FOR APPELLANT**

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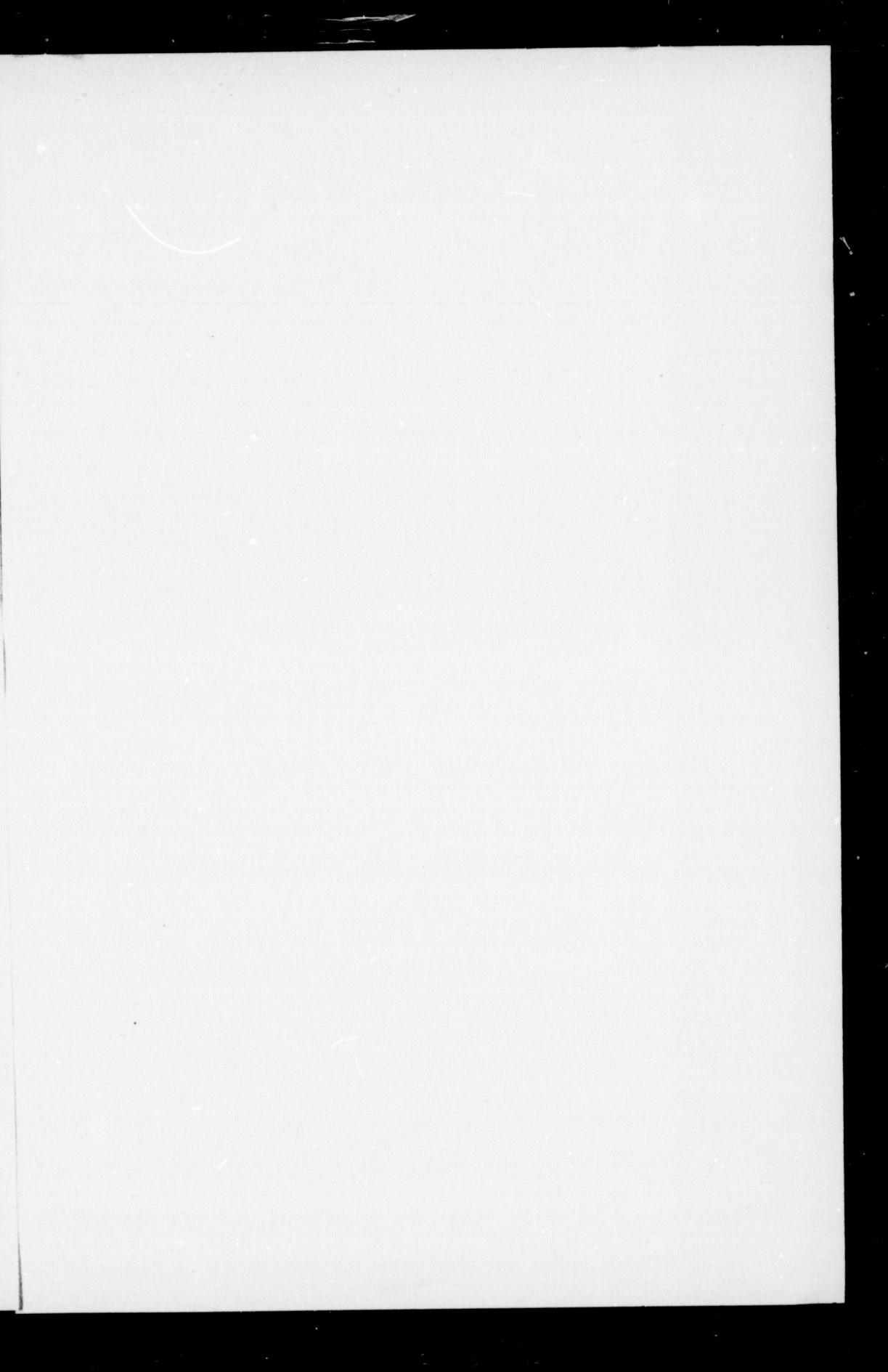
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## TABLE OF CONTENTS

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	PAGE
I. STATEMENT OF THE ISSUES .....	1
II. STATEMENT OF THE CASE .....	3
A. The Proceedings Below .....	3
B. Background .....	3
III. ARGUMENT .....	7
A. The District Court Erred in Granting Discovery .....	7
1. The Documents Sought by Appellees Are Privileged .....	7
2. Appellees Have Failed to Establish a Prima Facie Case of Fraud .....	9
3. The Documents Constitute Attorney Work Product and are Immune from Discovery .....	11
a) Appellees Have Failed to Show Substantial Need of the Discovery Granted Below .....	11
b) Appellees Have Other Sources for the Information Being Sought .....	15
4. Discovery Concerning Appellees' Allegations of Fraud Cannot Be Used in the Interference Proceeding As a Basis for Awarding Priority .....	15
B. The District Court Erred in Assuming Control Over Interference Discovery .....	18
1. 35 USC § 24 Does Not Authorize the District Court to Substitute Its Judgment For That of the Patent Office As To Granting or Denying Interference Discovery .....	18
2. There Was No Infringement of Appellees' Rights by the Patent Office Ruling Denying Discovery .....	21
IV. CONCLUSION .....	23



## CITATIONS

	<u>PAGE</u>
<i>American Optical Corp. v. United States</i> , 179 U. S. P. Q. 682 (Ct. Cl. 1973) .....	11
<i>Babcock &amp; Wilcox Co. v. Foster Wheeler Corp.</i> , 432 F. 2d 385, 167 U. S. P. Q. 65, (3rd Cir. 1970), cert. den. 401 U. S. 938 .....	19
<i>Babcock &amp; Wilcox Co. v. Foster Wheeler Corp.</i> , 173 U. S. P. Q. 480 (D. C. N. J. 1972) .....	19
<i>Beckman Instruments Inc. v. Technical Development Corp.</i> , 172 U. S. P. Q. 642 (N. D. Ill. 1972) .....	8
<i>Campbell and Johnson v. Gilby, Hoberg &amp; Phibbs</i> , 146 U. S. P. Q. 725 (P. O. Bd. Infs. 1965) .....	19
<i>Carter-Wallace v. Davis Edwards Pharmacal Corp.</i> , 443 F. 2d 867, 169 U. S. P. Q. 625 (2d Cir. 1971), cert. den. 412 U. S. 929 .....	9
<i>Cleary Brothers v. Christie Scow Corp.</i> , 176 F. 2d 370 (2d Cir. 1949) .....	11
<i>Curran v. Laird</i> 420 F. 2d 122 (D. C. Cir. 1969) ....	21
<i>Eutectic Corp. v. Metco Inc.</i> , 61 F. R. D. 35, 180 U. S. P. Q. 570, (E. D. N. Y. 1973) .....	8, 9
<i>Foster v. Antisdel</i> , 14 App. D. C. 552, 88 O. G. 1527 (D. C. Cir. 1899) .....	17
<i>Frilette v. Kimberlin</i> , 358 F. Supp. 493 (D. C. Del. 1973) .....	19
<i>Halliburton Co. v. Dow Chemical Co.</i> , 182 U. S. P. Q. 178 (N. D. Okla. 1974) .....	19
<i>Harper and Row Publishers, Inc. v. Decker</i> , 423 F. 2d 487 (7th Cir. 1970), aff'd 400 U. S. 348, reh. den. 401 U. S. 950 .....	8
<i>Hess v. Druifuss</i> , 104 F. 2d 801, 42 U. S. P. Q. 142 (C. C. P. A. 1939) .....	17
<i>Hickman v. Taylor</i> , 329 U. S. 495 (1947) .....	11



	<u>PAGE</u>
<i>Hilker v. McCombs</i> , 149 U. S. P. Q. 642 (P. O. Bd. Intfs. 1964) .....	17
<i>Illinois Tool Works, Inc. v. Foster Grant Co. Inc.</i> , 181 U. S. P. Q. 533 (N. D. Ill. 1974) .....	11, 15
<i>In re Yarn Processing Patent Litigation</i> , 177 U. S. P. Q. 514 (S. D. Fla. 1973) .....	9
<i>Johnson v. Mucser</i> , 1909 Dec. Com. Pat. 437 .....	17
<i>Kleinman v. Steinbach</i> , 187 F. 2d 743, 89 U. S. P. Q. 151 (C. C. P. A. 1951) .....	17
<i>Kuhl v. Hampton</i> , 451 F. 2d 340 (8th Cir. 1971) ....	21
<i>Ligh v. Stransky</i> , 141 U. S. P. Q. 437 (S. D. N. Y. 1964) .....	17
<i>McCall v. Overseas Tank Ship Corp.</i> , 16 F. R. D. 467 (S. D. N. Y. 1954) .....	7
<i>McKart v. United States</i> , 395 U. S. 185 (1969) ....	20, 22
<i>Nader v. Volpe</i> , 466 F. 2d 261 (D. C. Cir. 1972) ...	21
<i>Natta v. E. I. Dupont de Nemours &amp; Co.</i> , 161 U. S. P. Q. 389 (3rd Cir. 1969) .....	8
<i>Natta v. Hogan</i> , 392 F. 2d 686, 157 U. S. P. Q. 183 (10th Cir. 1968) .....	8, 11
<i>Natta v. Zletz</i> , 163 U. S. P. Q. 675 (9th Cir. 1969) ..	8, 11
<i>Poole v. Sugaya v. Wabuchi</i> , (PTCJ No. 185, 7/4/74, p. A-14, decision 4/17/74) .....	18
<i>Radiant Burners Inc. v. American Gas Association</i> , 320 F. 2d 314 (7th Cir. 1963) .....	8, 9
<i>Sherman v. Hope</i> , 161 F. 2d 263, 73 U. S. P. Q. 387 (C. C. P. A. 1947) .....	17
<i>Smith v. Kliesrath</i> , 120 F. 2d 1015, 50 U. S. P. Q. 82 (C. C. P. A. 1941) .....	17
<i>Sperry Rand Corp v. International Business Machines</i> , 159 U. S. P. Q. 86 (D. C. Del. 1968) .....	8
<i>United States v. United Shoe Machinery Corp.</i> , 89 F. Supp. 357 (D. C. Mass. 1950) .....	7, 8, 9

	<u>PAGE</u>
<i>Vandenberg v. Reynolds</i> , 268 F. 2d 744, 122 U. S. P. Q. 381 (C. C. P. A. 1959) .....	21
<i>Van Hoven Co. v. Stans</i> , 326 F. Supp. 827 (D. C. Minn. 1971) .....	21
<i>Vogel v. Jones</i> , 464 F. 2d 573 (3rd Cir. 1973) .....	19, 20
<i>Winter v. Koratron</i> , 54 F. R. D. 44, 172 U. S. P. Q. 201 (N. D. Cal. 1971) .....	9
<i>Zenith Radio Corp. v. Radio Corp. of America</i> , 121 F. Supp. 792, 101 U. S. P. Q. 316 (D. C. Del. 1954) .....	7
<i>Ziegler v. Natta</i> , 157 U. S. P. Q. 400 (E. D. N. Y. 1968) .....	9

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#### AUTHORITIES

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Title 5 U. S. C. § 704 .....	20, 1a
Title 35 U. S. C. § 6 .....	19, 23, 1a
Title 35 U. S. C. § 23 .....	19, 23, 1a
Title 35 U. S. C. § 24 ...	2, 3, 5, 6, 15, 16, 19, 20, 22, 24, 2a
Title 35 U. S. C. §102 .....	14, 3a
Title 35 U. S. C. § 135 .....	16, 4a
Title 35 U. S. C. § 141 .....	20, 5a
Title 35 U. S. C. § 146 .....	20, 22, 6a
Patent Office Rule 258 .....	16, 7a
Patent Office Rule 284 .....	2, 15, 8a
Patent Office Rule 287 .....	4, 18, 19, 20, 23, 10a
Patent Office Rule 301 .....	20, 12a
Patent Office Rule 302 .....	20, 13a
Patent Office Rule 303 .....	20, 13a
Patent Office Rule 304 .....	20, 14a
Fed. R. Civ. P. 26 .....	11, 15, 16, 15a

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SHATTUCK *et al.*,

*Appellees*

*v.*

HOEGL *et al.*,

*Appellants,*

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ON APPEAL FROM THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF NEW YORK

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**BRIEF FOR APPELLANT**

This is an appeal from an order dated May 7, 1974 of the United States District Court (Burke, J.) for the Western District of New York.

**I. STATEMENT OF THE ISSUES**

1. Whether the District Court erred in ordering discovery of privileged and attorney work-product communications allegedly relating to a charge of fraud as to appellants' declarations of inventorship, where no *prima facie* case of fraud has been made out by appellees, since:

(a) unprivileged documents already produced contain all the factual information available concerning an alleged prior inventorship by another, and established,

along with Dr. Weigl's deposition testimony, that there never was anything but an abandoned experiment by any other person which was never disclosed to Hoegl et al., thereby confirming the belief of Hoegl et al. as set forth in their declarations of independent inventorship;

2. Whether the District Court erred in granting discovery of privileged and attorney work-product communications allegedly relating to a charge of fraud as to appellants' declarations of inventorship where no showing of substantial need of such documents has been made out by appellees, since:

(a) unprivileged documents already produced contain all the factual information available concerning an alleged prior inventorship by another;

(b) the information sought by appellees can be obtained by other means, such as by written or oral interrogatories directed to the party Hoegl et al pursuant to Patent Office Rule 284; and

(c) appellees' counsel admitted in open court before Judge Burke of the Western District of New York, that appellees did not need the discovery sought.

3. Whether the District Court erred in contravening a decision of the United States Patent Office denying broad discovery with respect to appellees' charges of fraud based on an alleged prior invention by another and alleged knowledge thereof by Hoegl et al, where under the applicable law such matter is unrelated to the issue of invention priority as between the interference parties.

4. Whether the District Court erred in invoking jurisdiction under 35 USC § 24 to contradict the effect of an



interlocutory decision of the U. S. Patent Office denying broad discovery in the pending interference proceeding as to appellees' allegations of fraud based on an alleged prior invention by another and alleged knowledge thereof by Hoegl et al, where appellees had failed to exhaust their administrative remedies.

## **II. STATEMENT OF THE CASE**

### **A. The Proceedings Below**

This is an appeal from the granting, by the United States District Court for the Western District of New York, of an order requested under 35 USC § 24, directing Dr. John W. Weigl to produce certain privileged documents and to answer questions relating to them.

The order of the District Court arose out of a special proceeding in the matter of a subpoena duces tecum served by the party Shattuck et al on the witness Dr. Weigl, an employee of Xerox Corporation, directing him to produce documents and give testimony regarding the subject matter at issue in Patent Office Interference No. 98,047 between Hoegl et al and Shattuck et al. Following instructions of counsel, Dr. Weigl had refused to produce three documents which are subject to claims of privilege and work product immunity and to answer questions regarding the contents of the documents.

### **B. Background**

Interference No. 98,047 is a Patent Office proceeding to determine priority of invention, as between Hoegl and Barchietto (herein Hoegl et al), assignors to Xerox Corporation, and Shattuck and Vahtra (herein Shattuck et al), assignors to International Business Machines Corporation. Hoegl et al, having the earliest filing date, is designated the senior party. The subject matter of the interference is a single patent claim or "count" reading as follows:

An organic photoconductive composition comprising from about 0.49 to about 1.23 moles of 2, 4, 7,—trinitro—9—fluorenone per monomeric unit of a polymerized vinlycarbazole compound.

On November 14, 1973, Shattuck et al filed a motion in the Patent Office pursuant to Patent Office Rule 287(c) seeking broad discovery and document production from Dr. Weigl in connection with the interference. That motion was based, in part, on an unfounded charge that Hoegl et al had perpetrated a fraud in making and filing certain declarations of inventorship including the execution of the Hoegl et al preliminary statement for the interference.

Hoegl et al opposed the Patent Office motion on the grounds that there was no basis for any fraud charge and that Shattuck et al sought irrelevant, confidential and proprietary information, but agreed to provide answers to certain interrogatories of Shattuck et al. The motion was denied by the Board of Patent Interference on December 20, 1973, except to the extent it was not opposed by Hoegl et al. In its decision the Patent Office stated (Appendix p. 237):

“Turning to the question of possible fraud by Hoegl et al., we do not consider that the showing by Shattuck et al in support of their motion establishes that the interest of justice requires the ordering of the additional discovery requested. Where, as here, a broad allegation of fraud has been leveled by one of the parties no order for broad discovery will be issued merely to investigate the possibility of the existence of fraud. Moreover, it is considered that the fraud in ex parte prosecution of an application does not directly relate to the question of priority of invention and is, therefore, not a matter that is reviewable under Rule 258 at final hearing. The

proper procedure consistent with Rule 56 was established by *Vandenberg v. Reynolds* 46 CCPA 938, 268 F. 2d 744, 122 USPQ 381; and *Norton v. Curtiss*, 433 F. 2d 779, 167 USPQ 532. Any question of such fraud should be raised by way of petition to the Commissioner under the aforementioned rule."

On March 4, 1974, Shattuck et al moved the District Court for the Western District of New York for an order in support of a subpoena duces tecum issued pursuant to 35 USC § 24, directing Dr. Weigl to produce all documents in his possession as to which the Patent Office had previously refused to require production.

That motion was opposed by Hoegl et al on the basis that the District Court was without authority to issue the order requested in view of the Patent Office ruling, and that the documents were not relevant to the interference issue because any work done by Weigl was unrelated to the issue of priority as between Shattuck et al and Hoegl et al. Nevertheless, on March 26, 1974, the District Court granted the motion and Dr. Weigl was directed to appear on April 5, 1974 and produce documents relating to any of his work prior to August 1, 1964 concerning the subject of this interference and to testify concerning such work. A copy of the court's order is copied in the Appendix to this brief at page A-27.

Without conceding that the inquiry was relevant, Dr. Weigl searched his files and, with three exceptions, produced every document which could be found in his files that related to or referred to any work done prior to August 1, 1964 by Dr. Weigl or by those under Dr. Weigl's direction or control, concerning the subject matter of the interference. The only documents which were not produced were the privileged and work-product documents at issue



in this appeal. None of those three privileged and work product documents is contemporaneous with research work done by or at the direction of Dr. Weigl relating to the subject of this interference.

Instead, those documents, identified as 1, 1a and 1c in the list at page A-10 of the Appendix, were prepared in 1970 at the request of attorneys for Xerox Corporation in contemplation of the present interference. They contain no factual information beyond that disclosed in the documents already produced concerning the early work of Dr. Weigl and his group. Those documents do contain certain information and comments from those who prepared them, comments made at the request of and for the benefit of the attorneys involved in the interference, which were intended to be helpful to the attorneys in their review and evaluation of the information provided to them in the documents. The information and comments were clearly prepared at the request of attorneys in preparation for this adversary proceeding and provided to attorneys acting for Xerox to enable them to render advice or act on behalf of Xerox.

At his deposition on April 5, 1974, without conceding relevance, Dr. Weigl testified fully and completely concerning the early work done by him or done by those under his direction. Appropriate objections were made to questions directed to the contents of the documents withheld as privileged and work product.

On April 23, 1974 Shattuck et al sought an order to show cause from the District Court requiring production by Dr. Weigl of the three work-product and privileged documents previously withheld. The application was opposed by Hoegl et al on the grounds that 35 USC § 24 does not authorize such an order prior to exhaustion of administrative remedies and that the privileged and work-product character of the documents sought ought not to be violated. The order was, nevertheless, granted on May 7, 1974 and Dr. Weigl was ordered to produce the

privileged documents. A copy of that order is in the Appendix to this brief at page A-241.

### III. ARGUMENT

#### A. The District Court Erred in Granting Discovery

Appellants contend that the Federal Rules of Civil Procedure, which the District Court below purported to apply in resolution of this matter, do not require or permit the discovery ordered, and that, even if permissible, the discovery was improvidently ordered. Accordingly, the District Court decision granting discovery should be reversed.

##### 1. The Documents Sought by Appellees are Privileged

Each of the documents in question was prepared in response to an attorney's request for information and was transmitted to an attorney to enable him to take legal action on the basis of the information transmitted. Except for attorneys, the only persons to whom copies of these documents were disclosed are research managers employed by Xerox who normally assist the attorneys involved in the evaluation of technical information.

It is well-established that the attorney-client privilege attaches to a communication between the client and his attorney when the communication relates to facts disclosed in private by the client for the purpose of securing legal advice or service. *McCall v. Overseas Tank Ship Corp.*, 16 F. R. D. 467 (S. D. N. Y. 1954); *United States v. United Shoe Machinery Corp.*, 89 F. Supp. 357, 85 U. S. P. Q. 5 (D. C. Mass. 1950); *Zenith Radio Corp. v. Radio Corp. of America*, 121 F. Supp. 792, 101 U. S. P. Q. 316, (D. C. Del. 1954). Communications submitted to an attorney for his use in connection with the prosecution of patent applications or in connection with the preparation for or conduct of interferences are privileged. The opinions or conclusions prepared by an attorney in connection with such work are

likewise immune from discovery. *Beckman Instruments, Inc. v. Technical Development Corp.*, 172 U. S. P. Q. 642, (N. D. Ill. 1972); *Sperry Rand Corp. v. International Business Machines*, 159 U. S. P. Q. 86 (D. C. Del. 1968); *Natta v. Zletz*, 163 U. S. P. Q. 675 (7th Cir. 1969); *Natta v. E. I. DuPont deNemours & Co.*, 161 U. S. P. Q. 389 (3rd Cir. 1969); *Natta v. Hogan*, 392 F. 2d 686, 157 U. S. P. Q. 183, (10th Cir. 1968).

The focus, therefore, is on the relationship between the attorney and the persons submitting the communication. In the present situation, the client of the Xerox attorneys is the corporation. The privileged communications were received from people who are employees of the corporation. Each of the employees originating the privileged documents in question had knowledge of experiments relating to the subject matter of the present interference. They were requested by Xerox attorneys involved in this interference to review the records relating to that work and to report to the Xerox attorneys concerning it.

The work reported was within the duties and responsibilities of the originators of the memoranda. The Xerox attorneys were seeking information for the purpose of determining a possible question of inventorship. The communications requested were made to Xerox attorneys in furtherance of the corporate interest. The documents clearly relate to the provision of legal advice or legal service. *Eutectic Corp. v. Metco, Inc.*, 61 F. R. D. 36, 180 U. S. P. Q. 570 (E. D. N. Y. 1973). Under these circumstances, there is no doubt that the attorney-client privilege applies to the communications in issue herein. *Harper and Row Publishers, Inc. v. Decker*, 423 F. 2d 487 (7th Cir. 1970), *aff'd* 400 U. S. 348, *reh. den.* 401 U. S. 950; *Radiant Burners, Inc. v. American Gas Association*, 320 F. 2d 314 (7th Cir. 1963); *United States v. United Shoe Machinery Corp.*, *supra*.



The only individuals, other than Xerox patent attorneys, receiving copies of the privileged memoranda are several research managers of the Xerox research laboratories who had overall responsibility for the research work which is the subject of the memoranda, and who customarily lent technical assistance to Xerox patent attorneys. It is well-established that the confidence of privileged documents is not destroyed merely by sending copies to persons within the client corporation who have a need to be informed. *Radiant Burners, Inc. v. American Gas Association*, *supra*; *United States v. United Shoe Machinery Corp.*, *supra*; *In re Yarn Processing Patent Litigation*, 177 U. S. P. Q. 514 (S. D. Fla. 1973); *Eutectic Corp. v. Metco, Inc.*, *supra*.

## **2. Appellees Have Failed to Establish a Prima Facie Case of Fraud**

It is settled law that a challenge to the attorney-client privilege on the grounds of fraudulent activities before the Patent Office may be successful when, and only when, a *prima facie* case of fraud has been shown. *Winter v. Koratron*, 54 F. R. D. 44, 172 U. S. P. Q. 201 (N. D. Cal. 1971); *Ziegler v. Natta*, 157 U. S. P. Q. 400 (E. D. N. Y. 1968).

A *prima facie* showing of fraud requires, in the first instance, that there be a falsity or a misrepresentation before the Patent Office. *Carter-Wallace v. Davis Edwards Pharmacal Corp.*, 443 F. 2d 867, 169 U. S. P. Q. 625 (2d Cir. 1971), cert. den. 412 U. S. 929. In this case, there has been no falsity and no misrepresentation before the Patent Office.

It is uncontested that Hoegl et al made their invention in Geneva, Switzerland independently, and without knowledge of any work by Dr. Weigl's group in the United States. The only issue raised by Shattuck et al is whether Hoegl et al later learned of an alleged prior invention by Dr. Weigl or his co-workers.

Appellees already know that neither Dr. Weigl nor any of those persons working under his direction is a prior inventor. All of the original contemporaneous records reviewed by Xerox attorneys and referred to in the privileged and work-product memoranda sought by appellees which describe or relate to Dr. Weigl's work, or work done under Dr. Weigl's direction, concerning the subject matter of this interference have already been produced to appellees. It is clear from these records and reports that the experimental results were considered to be useless. The accidental development of a photoconductor having a composition within the scope of the claim here in issue was not appreciated. Those researchers were looking for something else and discarded the formulation now claimed by Hoegl et al and Shattuck et al.

Dr. Weigl has already testified that neither he nor his co-workers had in mind the subject matter of this interference; that he reviewed the work reported and found nothing of patentable significance; that if the subject matter in issue here had been produced, no one recognized it, and that the experiments were discontinued and were not disclosed to Hoegl et al. Thus, the evidence adduced by appellees clearly establishes that any work done by Weigl or his co-workers prior to the actual invention date of Hoegl et al did not constitute a prior invention of the subject matter here in issue and had been abandoned.

In the absence of an actual prior invention of the same subject matter, not subsequently abandoned, the state of mind of Hoegl et al at the time of either the Preliminary Statement or their other declarations of inventorship is completely irrelevant. Consequently, even if Hoegl et al had known of the abandoned prior work of Dr. Weigl and his co-workers, Hoegl et al were justified in their understanding that they are the first inventors. A statement of that understanding, under oath, is not false and cannot be a misrepresentation.



Moreover, no fraud could have been committed by the Xerox attorneys, since abandoned experiments do not constitute prior art under the patent statutes, and there is no duty to disclose such work to the Patent Office. *Illinois Tool Works, Inc. v. Foster Grant Co., Inc.*, 181 U. S. P. Q. 553 (N. D. Ill. 1974).

Having failed to establish a *prima facie* case of fraud, appellees cannot be permitted to pierce the privileged and work-product character of the documents now being sought. *Natta v. Zletz, supra*; *American Optical Corp. v. United States*, 179 U. S. P. Q. 682 (Ct. Cl. 1973).

### **3. The Documents Constitute Attorney Work Product and are Immune from Discovery**

The purpose of the attorneys' inquiry for information which led to the preparation and submission of the documents in question was to prepare them for the possibility of this interference. (Transcript of proceedings April 30, 1974, Appendix page A-83.)

It is well-established that incursions into the privacy of the attorney in preparing a case must be justified. *Hickman v. Taylor*, 329 U. S. 495 (1947). The work-product immunity applies with respect to materials prepared by an attorney for an interference proceeding. *Natta v. Hogan, supra*. This court has held that a strong showing of necessity is required to justify an order to disclose statements made by a witness at the direction of an attorney in preparation for trial. *Clearly Brothers v. Christie Scow Corp.*, 176 F. 2d 370 (2d Cir. 1949).

#### **a) Appellees Have Failed To Show Substantial Need Of The Discovery Granted Below**

Rule 26(b)(3) of the Federal Rules of Civil Procedure requires that the party seeking discovery of documents en-

titled to the work-product immunity demonstrate a "substantial need" of the materials sought for the preparation of its case. Appellees made no such showing below.

In fact, counsel for Shattuck et al admitted at the oral hearing before Judge Burke of the Western District of New York, that appellees had no substantial need for the documents sought. Counsel's comments appear on Page 20 of the transcript of the proceedings had on April 30, 1974, as follows:

"On one point, I might almost agree with Mr. Hone. We really don't need them because I think we have already proved fraud. But obviously we can never have too much proof, so to have even more proof, I request these documents." (Appendix page A-93)

In the papers accompanying the order to show cause dated April 23, 1974, appellees, on page 8 and 9, (Appendix pages A-18, A-19) set forth certain questions which they felt characterized their need for discovery of the privileged documents. Appellants submit that these questions have been answered, and that there is no need for appellees to obtain further discovery.

For example, appellees have stated that they would like to have answers to the following questions:

1. "What possible basis the Xerox patent attorneys had for causing Hoegl et al to declare that they, Hoegl et al believe themselves to be the original and first inventors of PVK-TNF compositions (ratio 1:1) when any such alleged invention was apparently derived from the earlier work of Weigl."

Dr. Weigl's testimony, and the documents produced concerning the work of those persons under his direction,

have provided the answer to this question. Essentially, Mr. Joseph Mammino and Miss Salasny were performing experiments directed towards a transparent, self-supporting photoconductive insulator for use in the preparation of microfilm records. As part of this work, various mixtures of PVK and TNF were prepared and tested. Xerographic plates containing a range of PVK-TNF mixtures passing through the 1 to 1 proportion (the subject matter of this interference) were prepared and tested on two occasions. The results of these experiments are summarized in a report issued on August 15, 1964 by Mr. Mammino and Miss Salasny (using her married name, Jvirblis). That report, which has been produced to Shattuck et al, shows on page 19 that the 1 to 1 proportion was not considered to be significant. (Appendix page A-67)

Dr. Weigl has also testified that experiments by Mammino and Salasny with PVK-TNF compositions in the range of one to one proportion by weight were an excursion from the objectives of the work and were not taken seriously. (Appendix pages A-111, A-112) No patent application directed to that work was prepared at that time and none was ever filed. In addition, Dr Weigl testified that neither he nor any one under his control ever communicated the results of this work to Hoegl et al.

Hoegl et al declared that they believed themselves to be the original and first inventors because it is true. If any invention in the subject matter herein issue was made by Mammino and Salasny, it was abandoned. Hoegl et al could not have derived their invention from Mammino and Salasny because such work was not made known to Hoegl et al prior to their invention date.

2. "Did Xerox initially consider filing an application in Weigl's name at that time?"

Dr. Weigl has testified that Xerox did not consider filing an application at that time because there was no



recognition that an invention had been made. Dr. Weigl also testified that he regularly reviewed the notebooks and reports of those working under him for inventions of patentable significance, and that he did not recognize the experiments of Mammino and Salasny to amount to an invention.

3. "Did Xerox attempt to attribute Weigl's work to Hoegl et al and then, failing to do so, improperly cause the filing of the Hoegl et al CIP application and the preliminary statement in the same of Hoegl et al?"

The answer to this question is self-evident. Regardless of the origin or inspiration for the early work of Weigl and his co-workers, any invention made as a result of it was abandoned. Therefore, a "failure" to attribute the work to Hoegl et al would have no effect on the right of Hoegl et al to file a CIP application and preliminary statement based on their own work.

4. "Why did Xerox not advise the Patent Office of Weigl's early work, as they should have done, and thus permit the Patent Office to make its determination of whether Weigl's work would be a statutory bar to the Hoegl et al CIP application?"

The answer to this question is found in 35 USC Section 102(g) which provides, in pertinent part, that "a person shall be entitled to a patent unless . . . (g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed or concealed it."

The documents and testimonial evidence already provided to appellees have established conclusively that if any invention concerning the subject matter of the present interference had been made by Mammino and Salasny, it was

abandoned. Thus, such work could not possibly be prior art under the patent statutes, and there is no need to notify the Patent Office of it. *Illinois Tool Works Inc. v. Foster Grant Co., Inc. supra.*

**b) Appellees Have Other Sources for the Information Being Sought**

Rule 26(b) and the decisions interpreting it call for a showing of inability to obtain the information from other sources before disclosure of work-product documents can be required. Appellants submit that no such showing could be made in this case. All of the records and documents relating to the early work of Dr. Weigl and those working under his direction concerning the subject matter of this interference are already available to appellees.

Moreover, other procedures are available to appellees for uncovering the state of mind of Hoegl et al. Rule 284 of the Patent Office Rules of Practice provides for written or oral interrogatories to be propounded to a witness located in a foreign country. If appellees seek evidence concerning the state of mind of Hoegl et al the time they made their declarations of inventorship, it is better to ask them directly. No motion under Rule 284 has ever been brought by appellees.

Consequently, the District Court clearly abused its discretion in granting discovery of documents containing attorney-work product information prepared in anticipation of litigation.

**4. Discovery Concerning Appellees' Allegations of Fraud Cannot Be Used In The Interference Proceeding As A Basis for Awarding Priority**

Section 24 of Title 35, United States Code states that the Federal Rules of Civil Procedure shall apply to docu-

mentary production in contested Patent Office cases. The scope of discovery under the Federal Rules of Civil Procedure includes matter "relevant to the subject matter involved in the pending action." (Rule 26(b))

In the present situation, the "pending action" is Interference No. 98,047 between the parties to this appeal. The Board of Patent Interferences is authorized to determine only, as between the parties claiming the invention, which of the parties is the first inventor. (35 USC § 135) The burden is on each party to prove its own date of invention.

In no way can 35 USC § 24 be construed to permit discovery of matters which go beyond the authority vested in the Board of Patent Interferences under 35 USC § 135. Accordingly, the scope of interference discovery permitted by the Federal Rules of Civil Procedure extends only to those matters which are within the authority of the Board to consider.

The most recent charge of fraud made by appellees concerns alleged false statements of inventorship made by the party Hoegl et al. By their discovery efforts under 35 USC § 24, appellees have been attempting to uncover evidence that Dr. Weigl or his co-workers are prior inventors, and that the party Hoegl et al had knowledge of Dr. Weigl's work at the time that they stated that they believed themselves to be the first inventors.

If Dr. Weigl is not a prior inventor, then any knowledge of Hoegl et al concerning Dr. Weigl's work is meaningless, since Hoegl et al are independent inventors. Thus, appellees allegations of fraud center on the possible existence of a third party inventor of the subject matter of the interference.

It is well-established that the issue of third party inventorship is not ancillary to priority. Patent Office Rule 258 states, in part, that nonpatentability of the invention to



one party will not be considered in determining priority, unless it would necessarily follow that the other party is in fact the prior inventor.

Third party inventorship means that *neither* party is entitled to a patent since neither party is the inventor. Where the question of patentability tends to debar *both* parties from obtaining a patent, then there is no question whatever of priority. *Johnson v. Mueser* 1909 Dec. Com. Pat. 437; *Hess v. Druifuss* 104 F. 2d 801, 42 U. S. P. Q. 142 (CCPA 1939); *Kleimann v. Steinbach* 187 F. 2d 743, 89 U. S. P. Q. 151 (CCPA 1951). The Board of Patent Interferences has no authority to find that a third party is the prior inventor where such third party does not claim to be the inventor, is not a party to the proceeding and, therefore, is not subject to the priority jurisdiction of the Board. *Foster v. Antisdel* 14 App. B. C. 552, 88 O. G. 1527 (D. C. Cir. 1899) *Hess v. Druifuss supra.*; *Sherman v. Hope* 161 F. 2d 263, 73 U. S. P. Q. 387 (CCPA 1947); *Smith v. Kliesrath* 120 F. 2d 1015, 50 U. S. P. Q. 82 (CCPA 1941).

The District Court for the Southern District of New York has affirmed this principle in *Ligh v. Stransky* 141 U. S. P. Q. 437 (S. D. N. Y. 1964). There it was held that discovery relating to third party inventorship serves an irrelevant purpose and should not be permitted. Moreover, it is equally irrelevant that Dr. Weigl, the alleged third party inventor in the present case, is an employee of the assignee of the party Hoegl et al. *Hilker v. McCombs* 149 U. S. P. Q. 642 (P. O. Bd. Intfs. 1964).

In a very recent case, the Board of Patent Interferences has ruled that discovery will not be permitted in an interference where one party alleges that the other party derived the invention from a third party inventor and fraudulently concealed or withheld evidence pertaining to derivation. The Board held that since the fraud referred

to centers on the possible existence of a third party inventor, the information sought relates to matters that cannot be used as a basis for an award of priority. *Poole v. Sugaya v. Wabuchi* (PTCJ No. 185, 7/4/74, Pg. A-14, decision 4/17/74.)

Appellants contend that the Patent Office, in its discretion under Rule 287 (Appendix page A-237) has properly applied the Federal Rules of Civil Procedure concerning documentary discovery in deciding that the specious question of fraud raised by appellees may not properly be determined in the pending interference. The District Court below has abused its authority in overruling this Patent Office decision.

#### **B. The District Court Erred in Assuming Control Over Interference Discovery**

Appellants contend that it is not proper for the District Court to assume control over interference discovery prior to exhaustion of the procedures provided in the Patent Office Rules of Practice. Accordingly, the exercise of discretion by the District Court in granting discovery is an abuse of authority and warrants reversal.

##### **1. 35 USC § 24 Does Not Authorize The District Court To Substitute Its Judgment For That Of The Patent Office As To Granting Or Denying Interference Discovery**

On May 12, 1971, 37 CRF § 1.287 (Patent Office Rule 287) became effective. This rule specifically authorizes the Board of Patent Interferences to grant discovery, within the scope of the Federal Rules of Civil Procedure, of matters within the control of a party to a pending interference proceeding.



Prior to the enactment of Rule 287, the Federal Courts assumed jurisdiction over discovery procedures in interference proceedings principally because of the absence of any discovery mechanism in the Patent Office. *Babcock & Wilcox Co. v. Foster Wheeler Corp.*, 432 F. 2d 385, 167 U. S. P. Q. 65 (3rd Cir. 1970), cert. den. 401 U. S. 938; *Campbell and Johnson v. Gilby, Hoberg and Phibbs*, 146 U. S. P. Q. 725 (P. O. Bd. Intfs. 1965); *Frilette v. Kimberlin*, 358 F. Supp. 493 (D. C. Del. 1973). Cases authorizing the assumption of plenary federal court jurisdiction over interference discovery may be distinguished on the grounds that they were decided prior to the enactment of Patent Office Rule 287.

Cases concerning interference discovery under 35 USC § 24 and decided subsequent to the enactment of Patent Office Rule 287, have indicated that the internal rules of the Patent Office and decisions made pursuant to those rules by the Patent Office should be given deference. For example, the district court in *Babcock & Wilcox v. Foster Wheeler Corp.* 173 U. S. P. Q. 480 (D. C. N. J. 1972) has stated that Patent Office Rule 287 ought to give rise to a re-evaluation of the role of the federal courts in discovery sought under 35 USC § 24. *Frilette v. Kimberlin, supra*; *Vogel v. Jones* 464 F. 2d 573 (3rd Cir. 1973).

Rule 287 of the Patent Office Rules was promulgated by the Commissioner of Patents under the authority vested in him by Congress. (35 U. S. C. §§ 6, 23). The rule relates to interference practice and, being one of the Patent Office Rules of Practice, has the force of law. *Halliburton Co. v. Dow Chemical Co.* 182 U. S. P. Q. 178 (N. D. Okla. 1974). A discovery decision of the Patent Office under rule 287 is interlocutory in the interference proceeding, since the rule itself prohibits review prior to a decision awarding priority (287(c)), and since ample opportunity for review

is provided after a determination of priority (Patent Office Rules 301-304; 35 U. S. C. §§ 141 and 146). Furthermore, Rule 287, at subsection (d)(2), provides appropriate sanctions for noncompliance with discovery orders issued thereunder.

As a result of the enactment of Rule 287, there is no need for the intervention of federal courts with respect to interference discovery prior to a decision on priority of invention. This result has obtained in the Third Circuit in *Vogel v. Jones supra*, where a district court order denying discovery was affirmed since the Assistant Commissioner of Patents had repeatedly made it clear that the discovery sought was improper.

Accordingly, any attempt to utilize 35 U. S. C. § 24 to obtain discovery previously denied by the Patent Office under Rule 287 is, in effect, an attempt to obtain an unauthorized review of an interlocutory decision of an administrative agency.

Section 704 of the Administrative Procedures Act (Title 5, United States Code) provides for a general right to judicial review only of *final* actions taken by administrative agencies. The Patent Office decision denying broad discovery by Shattuck et al under Patent Office Rule 287 is not a final decision. The courts should not interfere with the exercise by an administrative agency of the powers and duties conferred upon it, until the agency proceeding has run its course. *McKart v. United States* 395 U. S. 185 (1969).

Section 24 of Title 35 United States Code neither grants nor specifically precludes a right of court review of interlocutory discovery decisions of the Patent Office. In the absence of a right of review under the Administrative Procedures Act, any non-statutory review of such decisions is only available upon a showing of manifest infringement of

substantial rights. *Nader v. Volpe* 466 F. 2d 261 (D. C. Cir. 1972). The court may not substitute its judgment, simply for the asking, in a matter which falls within the jurisdiction of an administrative body. The federal courts do not operate the governmental administrative agencies. *Kuhl v. Hampton* 451 F. 2d 340 (8th Cir. 1971); *Van Hoven Co. v. Stans* 326 F. Supp. 827 (D. C. Minn. 1971); *Curran v. Laird* 420 F. 2d 122 (D. C. Cir. 1969).

**2. There Was No Infringement of Appellees' Rights by the Patent Office Ruling Denying Discovery**

The District Court below improperly failed to require a showing by appellees that the decision of the Patent Office denying broad discovery infringed substantial rights. No such showing was made, and indeed, no such showing could be made, since the decision was not final in the Patent Office but could be reviewed after a determination of priority of invention. Furthermore, the decision itself suggests that denial of the motion by Shattuck et al is not an infringement of substantial rights since the conclusion reached was based in part upon appellees' failure to follow the proper procedures set forth by the CCPA in *Vandenberg v. Reynolds* 268 F. 2d 744, 122 U. S. P. Q. 381 (CCPA 1959). (See quotation from the Patent Office decision, *supra*, pages 4-5.)

The authority to establish rules for determining priority of invention has been conferred upon the Commissioner of Patents by federal statute. The rules promulgated by the Commissioner reflect the considerable expertise developed in the Patent Office with respect to the unique problems in interference law. The Patent Office Rules of Practice have evolved out of the background and experience of the Patent Office with respect to interferences, and are intended to facilitate the development within the agency of the necessary factual background upon which to base the decision as to invention priority. The Patent Office, therefore, should be given every opportunity to exercise its discretion in the application of its special expertise to the problems which



it was created to resolve. It is more efficient to permit the administrative process to proceed without interruption than to permit the parties to the proceedings to detour to the District Court at various intermediate stages of the proceedings. *McKart v. United States* (*supra*, at p. 194).

Moreover, it may well be that resolution of the issue of priority of invention will make intervention of the federal courts unnecessary. This would result, for example, should Shattuck et al be awarded priority in the present interference proceeding.

Furthermore, to permit the intervention of the District Court as to interference discovery, denied by the Patent Office, prior to the exhaustion of the remedies provided by the Patent Office Rules of Practice might well result in expensive duplicative discovery. Section 146 of Title 35 of the United States Code permits a dissatisfied party to an interference to invoke the assistance of the district courts in a civil action to review the decision of the Board of Patent Interferences. This section also permits the taking of further testimony in connection with such an appeal. Witnesses giving testimony pursuant to 35 U. S. C. § 24 which the Board of Patent Interferences refuses to consider in connection with a decision on priority might well have to suffer the inconvenience and expense of being called to give further testimony as a result of an appeal taken under section 146.

Finally, since approximately March of 1973, appellees have made one specious fraud charge after another and have been seeking discovery to support such allegations. Not even a hint of fraud has been found. These discovery efforts by appellees have unjustifiably delayed the interference proceeding. Appellants submit that it is far more expeditious to await a decision as to priority of invention than to allow the appellees to proceed with their fishing expedition.

#### IV. CONCLUSION

Appellants respectfully submit that the order of the District Court below should be reversed for any of the following reasons:

1. The documents sought are privileged and otherwise immune from discovery.
2. The records and documents relating to the work done under the direction of Dr. Weigl demonstrate that there was no prior invention by him or his co-workers. Accordingly, there can be no fraud with respect to the statements, under oath, of inventorship by Hoegl et al and no reason to pierce the attorney client privilege.
3. Since no misrepresentation has been made by the party Hoegl et al, appellees have no need to uncover evidence concerning the state of mind of Hoegl et al at any time. Accordingly, the work-product immunity of the documents sought should remain inviolate.
4. Appellees' charge of fraud is centered on the allegation that there was prior invention by another person. The Patent Office Board of Interferences correctly applied the Federal Rules of Civil Procedure in denying discovery to appellees concerning this issue under Patent Office Rule 287(c). The District Court abused its discretion in overruling the Patent Office Board of Interferences.
5. To preserve the integrity of the Patent Office Rules of Practice authorized under Sections 6 and 23 of Title 35 of the United States Code, appellees ought to be required to exhaust their administrative remedies

provided by the Rules of Practice before invoking the jurisdiction of the District Court under 35 U. S. C. § 24.

The decision below should be reversed.

Respectfully submitted,

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August 5, 1974

**ADDENDUM**



**5 U.S.C. § 704****§ 704. Actions reviewable**

Agency action made reviewable by statute and final agency action for which there is no other adequate remedy in a court are subject to judicial review. A preliminary, procedural, or intermediate agency action or ruling not directly reviewable is subject to review on the review of the final agency action. Except as otherwise expressly required by statute, agency action otherwise final is final for the purposes of this section whether or not there has been presented or determined an application for a declaratory order, for any form of reconsideration, or, unless the agency otherwise requires by rule and provides that the action meanwhile is inoperative, for an appeal to superior agency authority. Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 392.

**35 U.S.C. § 6****§ 6. Duties of Commissioner**

The Commissioner, under the direction of the Secretary of Commerce, shall superintend or perform all duties required by law respecting the granting and issuing of patents and the registration of trade-marks and he shall have charge of property belonging to the Patent Office. He may, subject to the approval of the Secretary of Commerce, establish regulations, not inconsistent with law, for the conduct of proceedings in the Patent Office.

**35 U.S.C. § 23****§ 23. Testimony in Patent Office cases**

The Commissioner may establish rules for taking affidavits and depositions required in cases in the Patent Office.



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Any officer authorized by law to take depositions to be used in the courts of the United States, or of the State where he resides, may take such affidavits and depositions.

### 35 U.S.C. § 24

#### § 24. Subpoenas, witnesses

The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent Office.

Every witness subpoenaed and in attendance shall be allowed the fees and traveling expenses allowed to witnesses attending the United States district courts.

A judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify. No witness shall be deemed guilty of contempt for disobeying such subpoena unless his fees and traveling expenses in going to, and returning from, and one day's attendance at the place of examination, are paid or tendered him at the time of the service of the subpoena; nor for refusing to disclose any secret matter except upon appropriate order of the court which issued the subpoena.

## 35 U.S.C. § 102

## § 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of

the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

### 35 U.S.C. § 135

#### § 135. Interferences

(a) Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be. The question of priority of invention shall be determined by a board of patent interferences (consisting of three examiners of interferences) whose decision, if adverse to the claim of an applicant, shall constitute the final refusal by the Patent Office of the claims involved, and the Commissioner may issue a patent to the applicant who is adjudged the prior inventor. A final judgment adverse to a patentee from which no appeal or other review has been or can be taken or had shall constitute cancellation of the claims involved from the patent, and notice thereof shall be endorsed on copies of the patent thereafter distributed by the Patent Office.

(b) A claim which is the same as, or for the same or substantially the same subject matter as, a claim of an issued patent may not be made in any application unless such a claim is made prior to one year from the date on which the patent was granted.

(c) Any agreement or understanding between parties to an interference, including any collateral agreements referred to therein, made in connection with or in contemplation of the termination of the interference, shall be in



writing and a true copy thereof filed in the Patent Office before the termination of the interference as between the said parties to the agreement or understanding. If any party filing the same so requests, the copy shall be kept separate from the file of the interference, and made available only to Government agencies on written request, or to any person on a showing of good cause. Failure to file the copy of such agreement or understanding shall render permanently unenforceable such agreement or understanding and any patent of such parties involved in the interference or any patent subsequently issued on any application of such parties so involved. The Commissioner may, however, on a showing of good cause for failure to file within the time prescribed, permit the filing of the agreement or understanding during the six-month period subsequent to the termination of the interference as between the parties to the agreement or understanding.

The Commissioner shall give notice to the parties or their attorneys of record, a reasonable time prior to said termination, of the filing requirement of this section. If the Commissioner gives such notice at a later time, irrespective of the right to file such agreement or understanding within the six-month period on a showing of good cause, the parties may file such agreement or understanding within sixty days of the receipt of such notice.

Any discretionary action of the Commissioner under this subsection shall be reviewable under section 10 of the Administrative Procedure Act. (Amended October 15, 1962, Public Law 87-831, 76 Stat. 958.)

### **35 U.S.C. § 141**

#### **§ 141. Appeal to Court of Customs and Patent Appeals**

An applicant dissatisfied with the decision of the Board of Appeals may appeal to the United States Court of Cus-

toms and Patent Appeals, thereby waiving his right to proceed under section 145 of this title. A party to an interference dissatisfied with the decision of the board of patent interferences on the question of priority may appeal to the United States Court of Customs and Patent Appeals, but such appeal shall be dismissed if any adverse party to such interference, within twenty days after the appellant has filed notice of appeal according to section 142 of this title, files notice with the Commissioner that he elects to have all further proceedings conducted as provided in section 146 of this title. Thereupon the appellant shall have thirty days thereafter within which to file a civil action under section 146, in default of which the decision appealed from shall govern the further proceedings in the case.

### **35 U.S.C. § 146**

#### **§ 146. Civil action in case of interference**

Any party to an interference dissatisfied with the decision of the board of patent interferences on the question of priority, may have remedy by civil action, if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 141 of this title, unless he has appealed to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided. In such suits the record in the Patent Office shall be admitted on motion of either party upon the terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of the parties to take further testimony. The testimony and exhibits of the record in the Patent Office when admitted shall have the same effect as if originally taken and produced in the suit.

Such suit may be instituted against the party in interest as shown by the records of the Patent Office at the time of the decision complained of, but any party in interest may become a party to the action. If there be adverse parties residing in a plurality of districts not embraced within the same state, or an adverse party residing in a foreign country, the United States District Court for the District of Columbia shall have jurisdiction and may issue summons against the adverse parties directed to the marshal of any district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs. The Commissioner shall not be a necessary party but he shall be notified of the filing of the suit by the clerk of the court in which it is filed and shall have the right to intervene. Judgment of the court in favor of the right of an applicant to a patent shall authorize the Commissioner to issue such patent on the filing in the Patent Office of a certified copy of the judgment and on compliance with the requirements of law.

### **Patent Office Rule 258**

#### **258. Matters considered in determining priority.**

(a) In determining priority of invention, the Board of Patent Interferences will consider only priority of invention on the evidence submitted. Questions of patentability of a claim generally will not be considered in the decision on priority; and neither will the patentability of a claim to an opponent be considered, unless the nonpatentability of the claim to the opponent will necessarily result in the conclusion that the party raising the question is in fact the prior inventor on the evidence before the Office, or relates to matters which have been determined to be ancillary to priority and must be considered. A party shall

not be entitled to raise such nonpatentability unless he has duly presented a motion for dissolution under rule 231 upon such ground or shows good reason (e.g., that such nonpatentability became evident as a result of evidence extrinsic to an involved application) why such a motion was not presented; however, to prevent manifest injustice the Board of Patent Interferences may in its discretion consider a matter of this character even though it was not raised by motion under rule 231.

(b) At final hearing a party shall not be entitled to urge consideration of a matter relating to the benefit of an earlier application of his own or of another party unless he has presented such matter in connection with a motion under rule 231(a)(4), or shows good reason why it was not so presented.

(c) At final hearing between an application and a patent the prior art of record in the patent file may be referred to for the purpose of construing the issue.

### **Patent Office Rule 284**

**284. Testimony taken in foreign countries.** Upon motion duly made and granted, testimony may be taken in foreign countries, upon complying with the following requirements:

(a) The motion must designate a place for the examination of the witnesses at which an officer duly qualified to take testimony under the laws of the United States in a foreign country shall reside, and it must be accompanied by a statement under oath that the motion is made in good faith, and not for the purposes of delay or of vexing or harassing any party to the case; it must also set forth the names of the witnesses, the particular



facts to which it is expected each will testify, and the grounds on which is based the belief that each will so testify.

(b) It must be demonstrated that the testimony desired is material and competent, and that it cannot be taken in this country at all, or cannot be taken here without hardship and injury to the moving party greatly exceeding that to which the opposite party will be exposed by the taking of such testimony abroad.

(c) Upon the granting of such motion, a time will be set within which the moving party shall file in duplicate the interrogatories to be propounded to each witness, and serve a copy of the same upon each adverse party, who may, within a designated time, file, in duplicate, cross-interrogatories. Objections to any of the interrogatories or cross-interrogatories may be filed at any time before the depositions are taken, and such objections will be considered and determined upon the hearing of the case.

(d) As soon as the interrogatories and cross-interrogatories are decided to be in proper form, the Commissioner will cause them to be forwarded to the proper officer, with the request that, upon payment of, or satisfactory security for, his official fees, he notify the witnesses named to appear before him within a designated time and make answer thereto under oath; and that he reduce their answers to writing, and transmit the same, under his official seal and signature, to the Commissioner of Patents with the certificate prescribed in rule 276.

(e) By stipulation of the parties the requirements of paragraph (c) of this rule as to written interrogatories and cross-interrogatories may be dispensed with,

and the testimony may be taken before the proper officer upon oral interrogatories by the parties, their attorneys or their agents.

(f) Unless false swearing in the giving of such testimony before the officer taking it shall be punishable as perjury under the laws of the foreign state in which it shall be taken, it will not stand on the same footing in the Patent Office as testimony duly taken in the United States; but its weight in each case will be determined by the tribunal having jurisdiction of such case.

### **Patent Office Rule 287**

#### **287. Discovery.**

(a) (1) Each party who expects to take testimony must serve on each opposing party who requests service the following:

(i) A copy of each document in his possession, custody, or control and upon which he intends to rely,

(ii) A list of and a proffer of reasonable access to things in his possession, custody, or control and upon which he intends to rely, and

(iii) A list giving the names and addresses of all persons whom he intends to call as witnesses and indicating the relationship of each person to the invention in issue.

(2) Dates for compliance with subparagraph (1) of this paragraph will be set in accordance with the following:

(i) The date by which all parties may request service shall be not less than 10 days from the date of the order setting testimony times;

(ii) The date for service by all junior parties shall be not less than 30 days from the date of the order setting such times;

(iii) The date for service by the senior party shall be not less than 10 days from the date set for the close of testimony in chief of all junior parties.

(3) Where more than two parties are involved and one of the junior parties is not entitled to take testimony as to a more senior party, the requirements of subparagraphs (1) and (2) of this paragraph shall not be applicable as between such parties.

(b) The provisions of paragraph (a) of this rule are without prejudice to the right of a party, where appropriate, to obtain production of documents or things during cross-examination of an opponent's witness or during his own period for rebuttal testimony.

(c) Upon motion (rule 243) brought by a party during the period for preparation for testimony, or thereafter as authorized under rule 245, and upon a showing that the interest of justice so requires, the Board of Patent Interferences may order additional discovery as to matters under the control of a party within the scope of the discovery rules of the Federal Rules of Civil Procedure, specifying the terms and conditions of such additional discovery. An order by the Board granting or denying a motion under this paragraph shall not be subject to review prior to a decision awarding priority.

(d) (1) A party will not be permitted to rely on any document or thing in his possession, custody, or control, or on any witness, not listed and served by that party as required by paragraph (a) of this rule, except upon a

promptly filed motion accompanied by the proposed additional documents or lists together with a showing of sufficient cause as to why they were not served by the date set pursuant to paragraph (a) of this rule.

(2) Any failure to comply with an order under the provisions of paragraph (c) of this rule may be considered by the Board of Patent Interferences as basis for applying appropriate restrictions against the party failing to comply, for holding certain facts to have been established, and in an appropriate case for awarding priority against him, or for taking such other action as may be deemed appropriate.

(e) The parties may by agreement among themselves modify any of the foregoing requirements consistent with the schedule of times for taking testimony and filing the record. In the absence of such agreement, discovery will not be permitted prior to the period set for the preparation for testimony. (Added June 11, 1971.)

### **Patent Office Rule 301**

**301. Appeal to U. S. Court of Customs and Patent Appeals.** Any applicant dissatisfied with the decision of the Board of Appeals, and any party to an interference dissatisfied with the decision of the Board of Patent Interferences, may appeal to the U. S. Court of Customs and Patent Appeals. The appellant must take the following steps in such an appeal: (a) In the Patent Office give notice to the Commissioner and file the reasons of appeal (see rules 302 and 304); (b) in the court, file a petition of appeal and a certified transcript of the record within a specified time after filing the reasons of appeal, and pay the fee for appeal, as provided by the rules of the court. The transcript will be transmitted to the Court by the Patent Office on order of



and at the expense of the appellant. Such order should be filed with the notice of appeal, but in no case should it be filed later than 15 days thereafter. (Amended May 11, 1973.)

### **Patent Office Rule 302**

**302. Notice and reasons of appeal.** (a) When an appeal is taken to the U. S. Court of Customs and Patent Appeals, the appellant shall give notice thereof to the Commissioner, and file in the Patent Office, within the time specified in rule 304, his reasons of appeal specifically set forth in writing.

(b) In interferences and other contested cases, the notice and reasons must be served as provided in rule 248.

### **Patent Office Rule 303**

**303. Civil action under 35 U. S. C. 145, 146.** (a) Any applicant dissatisfied with the decision of the Board of Appeals, and any party dissatisfied with the decision of the Board of Patent Interferences, may, instead of appealing to the U. S. Court of Customs and Patent Appeals (rule 301), have remedy by civil action under 35 U. S. C. 145 and 146 respectively. Such civil action must be commenced within the time specified in rule 304.

(b) If an applicant in an ex parte case has taken an appeal to the U. S. Court of Customs and Patent Appeals, he thereby waives his right to proceed under 35 U. S. C. 145.

(c) If a defeated party to an interference proceeding has taken an appeal to the U. S. Court of Customs and Patent Appeals, and any adverse party to the interference shall, within twenty days after the appellant shall have filed

notice of the appeal to the court (rule 302), file notice with the Commissioner that he elects to have all further proceedings conducted as provided in 35 U. S. C. 146, certified copies of such notices will be transmitted to the U. S. Court of Customs and Patent Appeals for such action as may be necessary. The notice of election must be served as provided in rule 248.

### **Patent Office Rule 304**

**304. Time for appeal or civil action.** The time for filing the notice and reasons of appeal to the U. S. Court of Customs and Patent Appeals (rule 302) or for commencing a civil action (rule 303) is sixty days from the date of the decision of the Board of Appeals or the Board of Patent Interferences. If a petition for rehearing or reconsideration is filed within thirty days after the date of the decision of the Board of Appeals or Board of Patent Interferences, the time is extended to thirty days after action on the petition. No petition for rehearing or reconsideration filed outside the time specified herein after such decision, nor any proceedings on such petition shall operate to extend the period of sixty days hereinabove provided. The times specified herein are calendar days. If the last day of the time specified for appeal or commencing a civil action falls on a Saturday, Sunday or legal holiday, the time is extended to the next day which is neither a Saturday, Sunday nor a holiday. If a defeated party to an interference has taken an appeal to the U. S. Court of Customs and Patent Appeals and an adverse party has filed notice under 35 U. S. C. 141 that he elects to have all further proceedings conducted under 35 U. S. C. 146 (rule 303(c)), the time for filing a civil action thereafter is specified in 35 U. S. C. 141.

**Fed. R. Civ. P. 26****Rule 26.****GENERAL PROVISIONS GOVERNING DISCOVERY**

(a) **Discovery Methods.** Parties may obtain discovery by one or more of the following methods: depositions upon oral examination or written questions; written interrogatories; production of documents or things or permission to enter upon land or other property, for inspection and other purposes; physical and mental examinations; and requests for admission. Unless the court orders otherwise under subdivision (c) of this rule, the frequency of use of these methods is not limited.

(b) **Scope of Discovery.** Unless otherwise limited by order of the court in accordance with these rules, the scope of discovery is as follows:

(1) *In General.* Parties may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of any other party, including the existence, description, nature, custody, condition and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of any discoverable matter. It is not ground for objection that the information sought will be inadmissible at the trial if the information sought appears reasonably calculated to lead to the discovery of admissible evidence.

(2) *Insurance Agreements.* A party may obtain discovery of the existence and contents of any insurance agreement under which any person carrying on an in-

insurance business may be liable to satisfy part or all of a judgment which may be entered in the action or to indemnify or reimburse for payments made to satisfy the judgment. Information concerning the insurance agreement is not by reason of disclosure admissible in evidence at trial. For purposes of this paragraph, an application for insurance shall not be treated as part of an insurance agreement.

(3) *Trial Preparation: Materials.* Subject to the provisions of subdivision (b) (4) of this rule, a party may obtain discovery of documents and tangible things otherwise discoverable under subdivision (b) (1) of this rule and prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative (including his attorney, consultant, surety, indemnitor, insurer, or agent) only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of his case and that he is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.

A party may obtain without the required showing a statement concerning the action or its subject matter previously made by that party. Upon request, a person not a party may obtain without the required showing a statement concerning the action or its subject matter previously made by that person. If the request is refused, the person may move for a court order. The provisions of Rule 37(a) (4) apply to the award of expenses incurred in relation to the motion. For pur-



poses of this paragraph, a statement previously made is (A) a written statement signed or otherwise adopted or approved by the person making it, or (B) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantially verbatim recital of an oral statement by the person making it and contemporaneously recorded.

(4) *Trial Preparation: Experts.* Discovery of facts known and opinions held by experts, otherwise discoverable under the provisions of subdivision (b) (1) of this rule and acquired or developed in anticipation of litigation or for trial, may be obtained only as follows:

(A) (i) A party may through interrogatories require any other party to identify each person whom the other party expects to call as an expert witness at trial, to state the subject matter on which the expert is expected to testify, and to state the substance of the facts and opinions to which the expert is expected to testify and a summary of the grounds for each opinion. (ii) Upon motion, the court may order further discovery by other means, subject to such restrictions as to scope and such provisions, pursuant to subdivision (b) (4) (C) of this rule, concerning fees and expenses as the court may deem appropriate.

(B) A party may discover facts known or opinions held by an expert who has been retained or specially employed by another party in anticipation of litigation or preparation for trial and who is not expected to be called as a witness at trial, only as provided in Rule 35(b) or upon a showing of exceptional circumstances under which it is impracticable for the party seeking discovery to obtain facts or opinions on the same subject by other means.

(C) Unless manifest injustice would result, (i) the court shall require that the party seeking discovery pay the expert a reasonable fee for time spent in responding to discovery under subdivisions (b) (4) (A) (ii) and (b) (4) (B) of this rule; and (ii) with respect to discovery obtained under subdivision (b) (4) (A) (ii) of this rule the court may require, and with respect to discovery obtained under subdivision (b) (4) (B) of this rule the court shall require, the party seeking discovery to pay the other party a fair portion of the fees and expenses reasonably incurred by the latter party in obtaining facts and opinions from the expert.

**(c) Protective Orders.** Upon motion by a party or by the person from whom discovery is sought, and for good cause shown, the court in which the action is pending or alternatively, on matters relating to a deposition, the court in the district where the deposition is to be taken may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the following: (1) that the discovery not be had; (2) that the discovery may be had only on specified terms and conditions, including a designation of the time or place; (3) that the discovery may be had only by a method of discovery other than that selected by the party seeking discovery; (4) that certain matters not be inquired into, or that the scope of the discovery be limited to certain matters; (5) that discovery be conducted with no one present except persons designated by the court; (6) that a deposition after being sealed be opened only by order of the court; (7) that a trade secret or other confidential research, development, or commercial information not be disclosed or be disclosed only in a designated way; (8) that the parties

simultaneously file specified documents or information enclosed in sealed envelopes to be opened as directed by the court.

If the motion for a protective order is denied in whole or in part, the court may, on such terms and conditions as are just, order that any party or person provide or permit discovery. The provisions of Rule 37(a) (4) apply to the award of expenses incurred in relation to the motion.

**(d) Sequence and Timing of Discovery.** Unless the court upon motion, for the convenience of parties and witnesses and in the interests of justice, orders otherwise, methods of discovery may be used in any sequence and the fact that a party is conducting discovery, whether by deposition or otherwise, shall not operate to delay any other party's discovery.

**(e) Supplementation of Responses.** A party who has responded to a request for discovery with a response that was complete when made is under no duty to supplement his response to include information thereafter acquired, except as follows:

(1) A party is under a duty seasonably to supplement his response with respect to any question directly addressed to (A) the identity and location of persons having knowledge of discoverable matters, and (B) the identity of each person expected to be called as an expert witness at trial, the subject matter on which he is expected to testify, and the substance of his testimony.

(2) A party is under a duty seasonably to amend a prior response if he obtains information upon the basis of which (A) he knows that the response was incorrect when made, or (B) he knows that the response though correct when made is no longer true and the cir-

cumstances are such that a failure to amend the response is in substance a knowing concealment.

(3) A duty to supplement responses may be imposed by order of the court, agreement of the parties, or at any time prior to trial through new requests for supplementation of prior responses.

As amended Dec. 27, 1946, eff. March 19, 1948; Jan. 21, 1963, eff. July 1, 1963; Feb. 28, 1966, eff. July 1, 1966; March 30, 1970, eff. July 1, 1970.



Chas. C. C.